



Board of Investment
Mauritius



Guidelines

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1. The Regulatory Sandbox License

The Regulatory Sandbox License (RSL) offers the possibility for a person to conduct a business activity for which there are no, or no adequate provisions under any enactment.

The RSL will be issued by the Board of Investment to eligible companies willing to invest in innovative projects within an agreed set of terms and conditions for defined period.

2. Eligibility

Any person who has an innovative project for which there is no or an inadequate legal framework which is hindering its realization may apply for an RSL.

The applicant should be able to demonstrate the innovative nature of the project in the local, regional or international contexts.

In addition, it should be made clear that the current legislative framework does not cater for the type of project. Where there are existing provisions, it would be deemed that the person is not eligible to apply for an RSL.

3. How to apply

Applications and relevant supporting documents should be submitted electronically to the Managing Director of the Board of Investment through the RSL online portal <http://www.investmauritius.com/schemes/rsl.aspx>

3.1 Documents needed

An applicant for an RSL should submit electronic version of the following documents at the time of application on the online portal, and should present the original documents should his application be approved under the Scheme, to the Board of Investment to obtain the RSL:

- a)** Completed application form (Annex I)
- b)** A business plan or feasibility study outlining proposed business activity (including project description, financial forecasts, initial investment and proof of funds, regulatory constraints and existing legislative frameworks abroad);
- c)** Particulars of promoters, beneficial owners and directors;
- d)** Certificates of character (or equivalent) of beneficial owners and directors;
- e)** Financial forecasts and financial capacities;
- f)** Evidence of lack of regulatory framework;

g) Existing relevant regulatory framework (if any) abroad

Other information that may be requested by the Board of Investment following the application depending on the nature of the project.

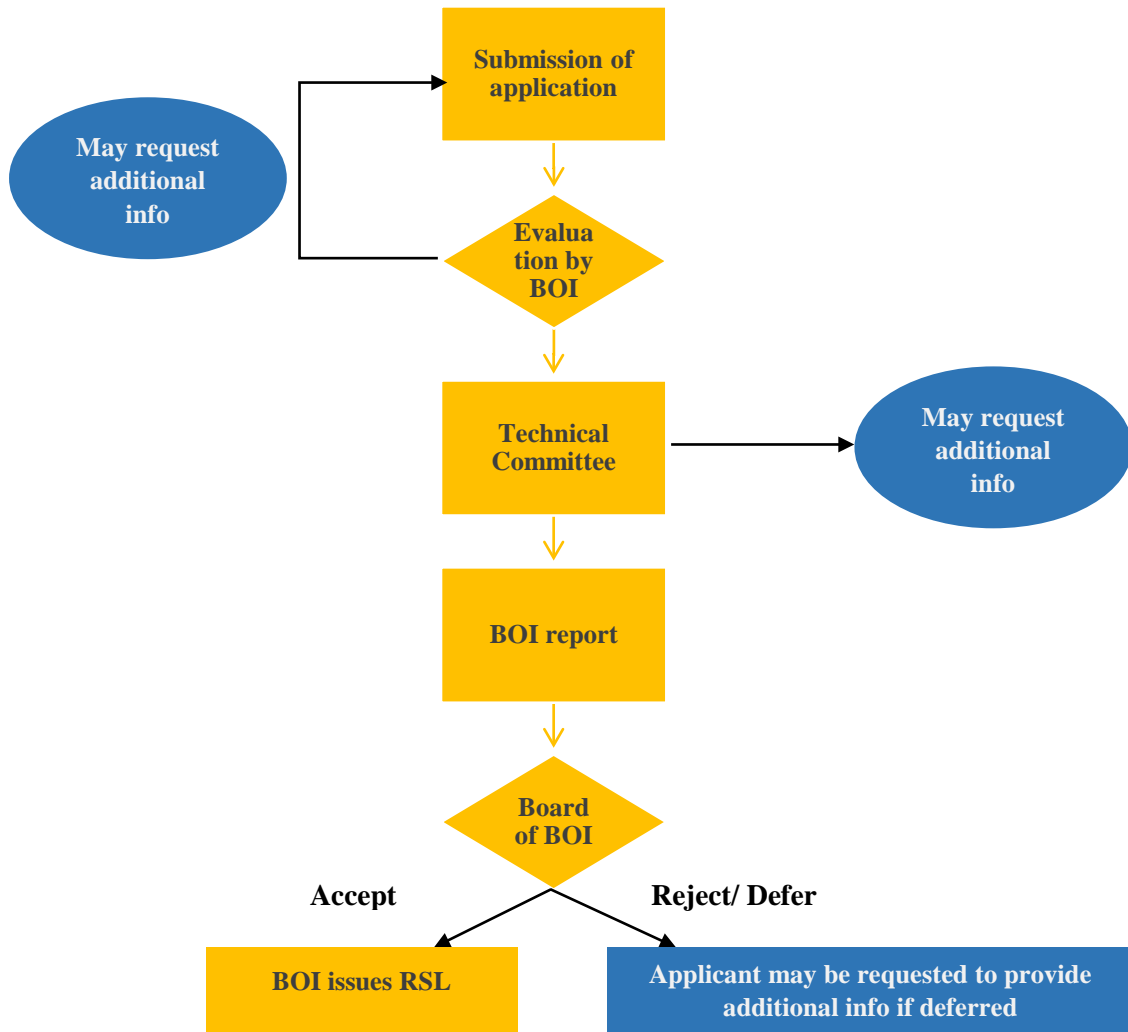
A Certificate of Character is a Police certificate or an equivalent document which states that the applicant does not have any criminal conviction in the country where he resided for the past five years. In the event that the applicant has resided in more than one country in the past 5 years preceding his application, he is required to submit a Certificate of Character from all the countries.

Financial capabilities: the applicant should show evidence of funds to conduct his proposed business. This can be a document from a bank which attests that the applicant has sufficient funds for instance.

1.1. Application process

BOI will review the application in consultation with stakeholders and assess the risks involved. Projects that are viable and that represent minimum potential for harm are issued with a list of safeguards, conditions and recommendations. Some of the conditions preclude the issue of the RSL. Non-viable projects or those failing to meet the criteria proposed are rejected.

The process flow following the receipt of the application by BOI would be as follows:



a) Preliminary evaluation by BOI

Upon receipt of a project intending to use the RSL to perform business activity, the Managing Director of the Board of Investment may request his staff to identify institutions that need to be consulted prior to presenting the project to the Technical Committee to ensure:

- necessary technical understanding of the project;
- identification of impacts on particular sectors;
- identification of relevant safeguards

BOI will undertake a preliminary evaluation and prepare a project brief which will include the potential regulatory constraints and administrative bottlenecks faced by applicant.

The applicant may be requested to provide additional information, particulars or documents to substantiate the brief within a period of 30 days following the submission of a complete application.

b) Technical Committee

Pursuant to Section 18J of Part IVB of the Investment Promotion Act, the Managing Director upon receipt of an application will hold meetings (technical committee meeting) with heads, or a senior officer with full authority to act as required, of relevant public sector agencies and obtain their views on the application.

The Managing Director will inform and request Heads of identified institutions to attend the meeting by writing at least 7 working days before date set for the meeting. The invitation will be accompanied by the project brief as well as the agenda of the meeting.

Responsibilities of the Technical Committee

The Technical Committee shall:

- advise whether there is no or there is inadequate provision under any enactment for business activity for which the application has been made,
- indicate their views on the possible dangers and threats, if any, that the project may cause and
- recommend safeguards, terms and conditions that need to be put in place subject to the approval of the project

Constitution of the Technical Committee

The Technical Committee is chaired by the Managing Director of the Board of Investment and will be constituted depending on the sector and nature of the project.

The applicant may be invited to make a presentation to the Technical of Committee of his projects and will be required to provide further clarification to members if required.

c) BOI Recommendations and Board Decision

Based on the consultations with the Technical Committee and any other agency or persons that the Managing Director may deem as necessary, the Board of Investment will prepare and submit a report to the Board, as soon as reasonably practicable, with its comments, observations and recommendations. The Board will assess the report and, based on the latter, may:

- Approve the application on such terms and conditions as it may determine;
- Refer the application back to the Managing Director for further enquiry; or
- Reject the application

Rejection

The Board may reject the project if the latter is of opinion that the proposed activity may cause prejudice to the good repute of Mauritius. In such case, the Managing Director shall by written notice give reasons for the rejection to the applicant.

Deferral

Where the Board has referred the application back to the Managing Director, the latter will within one week request the applicant to provide the information requested.

The onus will be on the applicant to provide the information request within a reasonable delay.

Approval

Where an application is approved by the Board, the Managing Director shall issue a Regulatory Sandbox License with relevant terms, conditions and safeguards as may be deemed necessary by the Managing Director.

2. Selection criteria

Considering the fact that projects and projects' maturity level that might be entitled to the RSL may be very diverse, selection criteria may vary as per project's nature. In this section, general eligibility criteria are defined and the latter are neither exhaustive, mandatory nor exclusive. The Board of Investment reserves the right to define the selection criteria tailor made to receive projects.

Generally, an applicant seeking the Board's approval to participate in a Sandbox must demonstrate the following:

- a)** the product, service or solution is genuinely innovative, i.e. it is novel and not similar to those already available in the Mauritian, regional or international market;
- b)** the project will contribute to the development of local skills and know-how;
- c)** the provision of the new product, service or solution is otherwise
 - i. not allowed due to any prohibition or restriction under existing laws or regulations administered by the country; or
 - ii. either wholly or partly incompatible with applicable regulatory requirements currently imposed by the country; However, in cases where the proposed product, service or solution possesses strong value propositions, the Board would adopt an 'open' mind approach which includes granting flexibilities in complying with existing rules and regulations.
- d)** the product, service or solution has clear potential to:
 - i. contribute to the development of Mauritian economy. This may include greater accessibility, efficiency, security, reliability or effectiveness in the provision services and products in diverse sectors
 - ii. bring about enhancement to the Mauritian industrial, commercial and know-how efficiency or risk management and controls;
 - iii. significantly benefit the Mauritian consumers.
- e)** the applicant has conducted an adequate and appropriate assessment to demonstrate the usefulness and functionality of the product, service or solution and understands the associated risks;
- f)** the applicant has the necessary resources to participate in Sandbox, mitigate and control potential risks and losses arising from the offering of such product, service or solution;
- g)** the applicant's business plan to deploy the product, service or solution on a commercial scale in Mauritius after exit from the Sandbox or to deploy the product, service or solution

on a commercial scale for the international market with relevant advantages for Mauritius (sharing of Royalties, setting up of the company's Headquarters in Mauritius);

- h) the adequacy of safeguards, terms and conditions to mitigate major foreseeable risks assessed and mitigated and
- i) Any other criteria that would be deemed necessary to be met by the Board.

3. Rejection of an application

Once the Managing Director is receipt of a project requesting for an RSL to perform business activity in Mauritius, the former refers the application to the Board of the Board of Investment with relevant comments and proposals from the committee. The Board may reject the project under such conditions including but not limited to:

- a) if the Board is of opinion that the proposed activity may cause prejudice to the good repute of Mauritius;
- b) if the Board is of opinion that the project represents no advantage for Mauritius;
- c) if the Board is of opinion that the project comprises of too significant risks;
- d) if the Board is of opinion that the Board of Investment does not have necessary competency to control, monitor and evaluate the project due to its nature.

In any such case, the Managing Director shall by written notice give reasons for the rejection to the applicant

4. Safeguards, Terms & Conditions

The license will enable the applicant to start his or her business activity even if relevant regulatory frameworks are not complete or inexistent. The license will be accompanied by a number of conditions specific to the activity referring to:

- Safeguards;
- Terms and conditions that need to be followed;
- Compliance with existing regulations referring to general business operation;
- Monitoring mechanisms;
- Others

Applicants should beforehand identify the potential risks to consumers and the country's economy that may arise from the testing of the product, service or solution in the Sandbox and propose appropriate safeguards to address the identified risks.

Where there are existing legal provisions for such types of activity, the applicant is encouraged to provide the necessary information.

The Board of Investment will on its end assess the proposed safeguards and may implement additional safeguards, terms and conditions as it may deem necessary.

These may include, but are not limited to:

- (a)** consumer protection;
- (b)** limiting the duration of the testing period;
- (c)** availability of consumer redress mechanism, including the possibility for financial compensation under clearly specified circumstances;
- (d)** availability of adequate resources to undertake the testing, develop solutions to mitigate risks and contain the consequences of failure;
- (e)** maintain appropriate risk management systems and processes including adequate confidentiality and security controls as well as contingency arrangements to address fraud and operational disruptions;
- (f)** Intellectual Property;
- (g)** certifying agreement of commercialization project so as not to use Sandbox cover to unfairly compete existing companies;
- (h)** guaranteeing that experimental tests are conducted in restrained and secured areas;
- (i)** responsibility for losses are either taken by third party companies wishing to test the new products or the company proposing the project
- (j)** demonstration of skills transfer to locals

In addition to the safeguards, the project should be carried out in accordance with all existing legislative arrangements.

5. Revocation and suspension of license

Under the guidance of the Managing Director, the Board may revoke or suspend an RSL under such terms and conditions as it may determine and may include:

- (a) The licensee has failed to commence the operation of his business activity within 3 months after the issue of a licence;
- (b) The licensee has committed a breach of the terms and conditions of the licence
- (c) The Board is of opinion that the promoter is failing to ensure risk control;
- (d) The Board is of opinion that the promoter cannot comply with established conditions and safeguards intrinsic to the licence.

When the Board is of opinion that the promoter may, within a period of 6 months, take necessary actions to ensure that reasons motivating licence revocation or suspension may be positively addressed, the Board may suspend the licence until the promoter shows necessary reasons to re-activate the licence. In adverse situation, the licence will be revoked.

6. Approved project, monitoring and reporting

Where an RSL has been issued with the agreed terms and conditions, the Managing Director shall monitor any business activity in respect of which a RSL that has been issued and ensure that the licensee complies with the conditions of the licence.

To this end, the Managing Director may design a monitoring mechanism, in collaboration with other public sector agencies, as it may deem appropriate. The applicant should submit regular reports to the Managing Director:

a) Interim reports

These should include:

- Status update on KPIs mentioned in business plan (e.g., investment amount, jobs created, turnover, client base...etc.)
- Date of start of operation
- Acquired and operating equipment
- Encountered problems, hindrances, etc.
- Risk control mechanism and efficiency
- Table of safeguards and conditions with relevant comments on compliance with each of the parameters
- Description of the later steps in the project and relevant timeframe

Interim reports need to be submitted twice a year. The first within the first six (6) months following the issue of the licence, followed by regular reports at six (6) months intervals.

The reports need to be directed to the Managing Director both by email and hard copy versions.

b) Final report

A final report needs to be submitted to the Managing Director both by email and hard copy versions when:

- a)** a business activity for which a Regulatory Sandbox License (RSL) had been issued is subsequently regulated under an enactment and subsequently the RSL shall be deemed to have lapsed and the business activity shall be governed by that enactment;
- b)** The promoter decides to end its operation;
- c)** The promoter wishes to end its testing phase and enter a commercialization phase out of Mauritius.

The final report has to be provided to the Managing Director latest 30 days as from date of:

- a)** Project completion;
- b)** Enforcement of permanent enactment;
- c)** Change of activities.

The final report needs to include the outcome of the project, including the turnover, profits, client base amongst others.

The final report shall also propose the exit strategy should the test fail or be discontinued, and a transition plan for the deployment of the product, service or solution on a commercial scale upon successful testing which need to be approved by the Board.

The Board may require changes to the exit strategy.

7. Miscellaneous

Enforcement of relevant enactment

- a) In the case whereby a business activity for which a Regulatory Sandbox License (RSL) had been issued is subsequently regulated under an enactment, the RSL shall be deemed to have lapsed and the business activity shall be governed by that enactment;
- b) Nothing shall prevent the passing of an enactment relevant to a business activity for which an RSL has been issued preliminary due to lack or inadequacy of regulatory framework;

IP Issues

- a) At the moment of applicant for a RSL, the promoter needs to define all information relevant to IP detained by himself.
- b) At the end of the project, the promoter will need to clear out all results and deliverables obtained. According to issued RSL, conditional to the promoter having been requested for sharing of IP and/or royalties with the state of Mauritius, the applicant will be to work with the Board of Investment on an IP/ Royalties sharing agreement.

ANNEX 1:

A. Contact details	
Name of company	
Registration number	
Website URL	
Name designated officer ² (e.g. CEO)	
Email address	
Phone number	
Mailing address	
Shareholders	
Describe the nature and scale of your operations in Mauritius	
How many skilled jobs will your company create in Mauritius? Please provide number and description	
B. Product, service or solution	
Name of product, service or solution	
Type of product, service or solution	
Describe the product, service or solution	
Explain how the product, service or solution is innovative	
Describe how the viability of the product, service or solution has been assessed and/or tested	
State the country's regulations or policy or lack of the latter that prohibit or restrict the provision of the product	
Explain how the product or service: i. Contributes to development of financial sector; or ii. Enhance financial institution's efficiency or risk management or controls; or iii. Significantly benefit the consumers at large	
Demonstrate that the product, service or solution is ready to be tested in a live environment through the sandbox	
Explain the source of funding for the testing	
Explain the expected duration of the test	
State the location where all the relevant data will reside	
Explain the plan for the product, service or solution to be offered on wider commercial scale	
Describe and explain the regulatory flexibility needed to undertake the test	
Describe the risks associated with the testing, and identify appropriate risk mitigation measures	
Any other information that may support the application	
C. Miscellaneous	
Institutions and private operators that the project might interact with	
Declaration of intellectual property	
openness to IP and royalty sharing	

Contact Us

Regulatory Sandbox License Unit

Board of Investment

10th Floor, One Cathedral Square Building,

16, Jules Koenig Street, Port Louis- Mauritius

Tel: +230 203 3800

Email: sandbox@investmauritius.com

Website: www.sandbox.mu

Disclaimer

These guidelines may be subject to changes and should not, in any circumstances, be treated as final. Any other information or document not listed above may be requested depending on the application.

Whilst care has been taken to ensure that the information provided herein is accurate and correct at the time of publication, users of this publication are advised to seek guidance from the Board of Investment in case of uncertainty or ambiguity encountered in reading this manual. The Board of Investment shall, in no circumstances whatsoever, be held liable to any person arising from use of information contained herein.